

Lesson-16

Challenges Before Indian Economy

India is one of the fastest growing economies in the world today and the whole world is accepting its growing economic power. But along with this development the Indian economy has to face many challenges. **We learn from** discussion in newspapers, among public, on T.V channels and various information from the internet, that there are many challenges before the Indian economy like price rise, poverty and unemployment and these are serious ones. These problems are Inter-linked and have persisted since independence.

It will not be an exaggeration to accept that poverty and unemployment are the most prominent socio-economic problems of the Indian economy. Due to these problems not only does the economy face negative situations, but the society also has to bear many hardships. In order to broaden our general sense and knowledge in this context, we need to understand the meaning, form, cause, result and preventive measures required for its dimension.

16.1 Price rise or Inflation-

We buy many kinds of goods and services from the market to fulfill our needs and make life comfortable. You must have bought textile, toys, confectioneries, slippers, sweets, ice-creams etc. or seen your relatives buying items for the needs of families. You must have observed that you pay higher price compared to the previous years. The scenario of these rising prices is known as inflation. In financial terms the word 'inflation' is used for the appreciation of the currency.

Price- In monetary system, the exchange of the unit of an item or a service with all those units of the currency is called the price of that item or that service.

In description the situation of continuous increase in the general price level is termed as inflation.

It indicates the average increase in price of a group of things or commodities. It is possible that in the market you are experiencing an increase in the prices of vegetables while newspapers are showing low inflation. On the contrary it is also possible that you are observing a fall in the prices of some commodities, but the newspapers are reporting about inflation. Inflation is related to the increase in the average level of prices of many commodities in the economy but not in the increase of the price of one item.

The meaning of general price level is the average of price levels of many items or a group of single item. So the general price level does not indicate the price of one item. It expresses the average price of a fixed group of commodities.

16.1.1 Measurement of Inflation-

In order to safeguard against price rise and to control it effectively, it is necessary to measure it. Therefore all economies have different types of price indexes for measuring the rate of inflation. In order to measure the change in general price level, a variety of price indexes are prepared in India too. These indices include wholesale price index, consumer price index and national income index. These indices measure the average change in the prices of a fixed group of commodities. Inflation is measured in proportionate change or percentage change over time in a fixed price index.

The indices express the average of measurable units on different scales. Indices indicate changes in the size of a variable in relation to a given base.

16.1.2 Inflation in India-

Inflation rate in India is generally measured with the wholesale price index. Since the time of Independence, the rate of high inflation has been a serious problem in India. In the decade of 1950, the average rate of inflation was pegged at 1.7 percent, But in 1960s it became 6.4 percent. In the seventies, it reached more than 9 percent. The period of high inflation continued till 1995 A.D. After this there was a fall in inflation and between 2000-2001 and 2011-2012 it remained around 4.7 percent.

16.1.3 Losses from Inflation-

A common man realizes that due to inflationary spiral, he has to pay more than the previous price. But the problem does not end here. Rise in price or value creates a series of losses for both individual and the nation. It reduces the value of currency. Due to inflation, less quantity of goods and services can be purchased by a certain amount of currency as compare to the previous years. The constantly rising inflation drops the value of currency rapidly.

The value of currency means its purchasing power which expresses its ability to purchase goods and services.

Due to the inflation, there is a loss to the fixed salary group and wage earners. This class gets the decreased value of currency for similar tasks and services. Inflation is considered to be unjustifiable as it reduces the value of savings of the common man. And the debtor is benefitted from inflation because he has to pay back low price of the currency.

Inflation also affects the rate of economic growth, poverty, unemployment, inequality, and distribution of wealth. This will be studied in higher classes. In essence, it can be said that currency inflation eliminates the benefits of development, so it needs to be kept under control.

16.1.4 Demand Driven and Cost Driven Form of Inflation-

Who determines inflation, means, what are the causes of inflation? why does it fluctuate? In order to get the answers of the questions it is essential to know the demand driven and cost driven forms of inflation by the concepts of aggregate demand and aggregate supply. The sum of expected expenditure

on the final commodities and services produced in a country is called the aggregate demand. The level of the aggregate demand includes the sum of demand for consumption, demand of goods for the investment, purchase of goods by the government and the sum of exports to abroad. Aggregate supply refers to the amount of production that an economy can produce through given resources and available technology.

Imbalances arising out between aggregate demand and aggregate supply in the economy generate changes in the prices. In the condition of an increase in the aggregate demand or the decrease in the aggregate supply or if both the conditions arises at the same time then a pressure on the prices is generated upwards.. When the inflation increases due to the increase in aggregate demand, it is called demand driven inflation. Inflation generated due to the downfall in aggregate supply because of increasing costs is called cost driven inflation.

16.1.5 Reasons of Inflation-

There is no definite reason for inflation. It is the result of many reasons. Some major factors responsible for inflation are mentioned below:-

(a) Fast Growth in supply of Currency-

Many economists of the world have the opinion that excessive supply of the currency than the need is chiefly responsible for inflation. In the economy, when the supply of money increases rapidly in comparison to the production of goods and services, then the a huge amount of currency runs behind a few items. Due to this, at a given price level the level of aggregate demand becomes higher than the level of aggregate supply and the tendency of rise in the prices is generated.

(b) Slow Growth in Industrial and Agricultural Production-

After the Independence the rate of industrial growth in India went lower than the expected rate. Between 1965 and 1985, the performance of the industry was very disappointing. Demand for industrial products has been steadily increasing for many reasons, but the industry has failed to satisfy this demand. Growing demands in the industrial sector increased the price rapidly.

Despite many reforms and revolutions, the productivity of Indian agriculture is very low. With

this, the Indian agricultural production failed to satisfy the demand. In such a situation, high demand of agricultural products is increasing their prices steadily.

(c) High level of public expenditure-

Due to the growing responsibilities along with the development, government expenditures have increased steadily. This increase of government outlay is not fully profitable for the society.

The unproductive expenditure made by the government does not increase the aggregate supply, but by granting purchasing power to the public, the aggregate demand increases. This results in inflation conditions.

(d) Other Reasons -

Due to the growing population the level of demand for goods and services in India always remains high. Many items are priced by the government. When the government increases the cost of these items to reduce its deficit, then the problem of price rise is seen in the economy. Expensive imports, high minimum supports prices for agricultural products, rising level of income, higher level of indirect taxes, higher rates of daily wages, obstacles in the growth of industrial production are also the reasons for growing Inflation.

16.1.6 Measures to Control Inflation -

There is no definite reason for inflation so it is not easy to control it. Inflation produces many difficulties before the country. So it is necessary to stop it. Following are the measures that can be taken to control inflation.

(a) Monetary Measures-

Monetary measures are adopted by Central Bank of India (Reserve bank of India) to control the inflation. Under these measures, the Central Bank tries to reduce the availability demand and increase the aggregate supply through the amount of currency, availability of credit and by manipulating the interest rates.. When the amount of money or the credit reduces, the aggregate demand also decreases, Thus the inflation also goes down.

(b) Fiscal Measures-

Fiscal measures are also taken by the government.

Through these measures, the government tries to control the aggregate demand and increase the aggregate supply by making changes in taxation, reducing public expenditure and public debts. The government can reduce inflation by increasing direct tax, reducing public expenditure and controlling aggregate demand and by public debts. The government can also control inflation through increasing the aggregate supply by reducing indirect taxes and increasing investment in productive measures.

(c) Other Reasons-

In addition to the appropriate measures mentioned above, through the public distribution system, necessary goods should be made available at the low price shops, by importing goods which excessively sought after. The price increase can also be checked by decreasing administrative expences. The investment incentive for agriculture and industries by government is also useful in controlling the inflation by increasing the aggregate supply.

16.2 Poverty-

Poverty is a situation in which an individual fails to fulfill his minimum living requirements. Poverty is a broad concept with many dimensions, but in general the word poverty is derived from economic point of view, ie. lack of wealth and resources is called poverty.

We see that on one hand some people live in such homes which are very big and beautiful and on the other hand some people do not have a home or live in mud houses. You must have seen many children who are not able to attend school. They have to go at work to fulfil their family needs. We can say that some people in the society are rich and some are poor. The poor lack wealth and they do not enjoy a minimum level of food, clothing, housing, education, health etc. for leading a peaceful life.

16.2.1 Absolute Poverty and Relative Poverty-

Absolute Poverty- A level of minimum or basic needs is set for the subsistence in this. After this, those people are considered in the state of absolute poverty who cannot attain the fixed level of the minimum requirements. Therefore, absolute poverty is a situation in which a person does not

meet the minimum requirements of life. The idea of absolute poverty is more relevant in undeveloped nations. When the word 'poverty' is used in nations like India, it means 'absolute poverty'.

The standard level of minimum or fundamental requirements varies in all the nations. This standard depends on the status of the nation's development, the level of life of people, inflation status in the economy etc. These factors are different in all nations. Thus in all countries the measure of poverty is also different.

Relative poverty-

The measure of relative inequalities in the various groups of society or nation in the distribution of income, money, or consumption expenditure is called the Relative Poverty. This idea is comparatively more relevant in developed countries.

16.2.2 Measurement of Poverty in India-

The first attempt to measure poverty in India was made by Dada Bhai Naroji in 1868 A.D. Estimates of poverty were presented by the independent national Planning Committee. After independence, a study team was formed by the Planning Commission in 1962 to determine the poverty line and define poverty. In 1971, V.M. Dandekar and Nilkantha Ratha defined a criterion for poverty. In this context, the year 1979 is significant, when the "working group on effective consumption demand and minimum requirement" which is also known as Y.K. Alagh committee submitted its report related to poverty. On the basis of this report, it was decided by the government that 2400 calories per person in cities and 2100 calories per person in rural areas should be given daily. If a person receives less calories than stated above, is considered poor. It is called calorie or consumption based poverty line. After this the working groups were also formed by planning commission in the chairmanship of D.T. Lakadwala, Suresh Tendulkar and C. Rangarajan to assess the poverty. Poverty estimates were made by Lakadwala formula for the year 1993-94 and 2004-05.

According to Suresh Tendulkar and C. Rangarajan consumption- expenditure has been considered as

the base of determining poverty. To determine the poverty line they prepared a 'minimum quantity group of food and non-food items (poverty line basket) and estimated that how much consumption expenditure is required to purchase this minimum quantity group of commodities at the market price. In their estimates they found that in 2011-2012 a person having less than ` 1000 per capita monthly consumption in urban areas and less than 816 per capita in rural areas is poor. On the basis of Suresh Tendulkar's estimates, 21.92% of the population in India is poor. That is, about 27 crore people are living below the poverty line.

C. Rangarajan considered ` 927 per capita monthly consumption expenditure in rural areas and ` 1407 per capita monthly consumption expenditure in urban areas as poverty line. On this basis, poverty in India was 29.5% in 2011-12 a person consuming ` 1000 per month in urban areas and ` 816 in rural areas is poor.

The United Nations Development Programme and Oxford poverty Human Development initiative created multi-dimensional poverty index which was released in the 2010 Human Development report. Three dimensions and ten indicators were used to assess this poverty index. In India, the work of the compilation of reliable data is done by the National Sample Survey Organization. Many experts get assessments on the basis of the data related to consumption -expenditure collected during various trips.

Recall period- Two types of recall period is used to compile the data for the assessment and presumption of the poverty. Consumption-expenditure data are collected for 30 days in the Uniform Recall Period (URP). In Mixed Recall Period two different periods (30 days and 365 days) are used jointly to compile the data of consumption- expenditure on food and non food items.

16.2.3 Reasons for Poverty-

In India social, economic and political factors are responsible for poverty. Reasons are

described as follows:-

(a) Social factors:

The basic structure of India has increased poverty. Birth, marriage and death related traditions are the reasons which put a man in to debt. A person does not come out of the burden of debt throughout his life. The desire for a son has contributed in the growing population which is a big factor of poverty. The rural Hindu society divided into castes was such in a condition where a large backward section of the society was made to live in an inferior state. And it was not given any opportunity to come out of constant poverty for a long time.

In the discussion of the causes of poverty, the name of Regener Knerks is very important. Knerks presented the hypothesis of the vicious cycle of poverty and thought that a nation is poor as it is already poor. The implication of the vicious cycle of poverty is that the cause of poverty is poverty itself and the result of poverty too is poverty.

(b) Economic Factors-

Most of the people of India are victims of economic backwardness. People cannot invest in education and health in the state of economic backwardness due to which the quality of their lives remains low. Due to low quality they get less income and they can-not come out of the vicious cycle of poverty. Before independence most of the Indians relied on agriculture and their base of resources was very weak. Due to lack of investment, agricultural productivity remained low. For these reasons the income incurred by small farmers and agriculture labourers is still continued to remain at the minimum level of livelihood. Economic backwardness reduces the availability of opportunities for a person. In the absence of opportunities, a person can not come out of the vicious cycle of poverty.

(c) Political factors- The lack of political will is responsible for the gruesome poverty in India. No special efforts were made by the government to eliminate poverty since the fifth five year plan. Many schemes were set up by different governments for poverty eradication but due to lack of political will the benefits of these schemes could not reach the target population. There are many leakages in our administration too. Due to the

direct benefit transfer policy being adopted by the current government, there has been a significant reduction in these leakages.

(d) Other Factors- Low level of education, lack of entrepreneurship, lack of employment oriented and vocational education, poor infrastructure, lack of capital formation and unavailability of health services in India are responsible for the awful conditions of poverty. We have low levels of productivity and income in the country, which is a major cause of poverty. There is lack of self confidence in poor because of poverty, so they are not in a position to take financial risk, and they cannot come-out of the vicious cycle of poverty by establishing their own profession. Poverty also grows due to inflation or price rise. Due to the increase in prices many people cannot afford to buy goods related to their basic needs for their livelihood; and move below the poverty line.

Read:-

Rajesh lived in a slum of the city with his wife, four children and aged parents. He used to get up early in the morning and distribute newspapers and worked in the factory of a wealthy man (factory owner) in day time to look after his family. He was uneducated so he got little wages. A major part of his meagre wages was spent on the health care of his parents. The owner having bought new machines required less workers. At the same time Rajesh became ill because of too much workload and lack of proper and enough food. The owner removed him from his job. Being uneducated he had no opportunity to find other work. Besides, he did not have the ability/qualification and capital to start a business of his own. Now it became difficult for Rajesh and his family to lead their lives.

Think-

- (a) Whether the family of Rajesh should be considered as poor or not?
- (b) Is there some deep relation between unemployment and poverty?
- (c) What is the relation between population and poverty?
- (d) Does education increase the opportunities for employment?

16.2.4 Poverty Elimination Measures-

(A) Expansion of Education and Health Facilities-

The root cause of most evils in the society is illiteracy. In the absence of education, people do not get the benefit according to their ability and opportunities available. There is need to spread education in all sections for eradicating poverty problem. As a result of the attainment of education, the efficiency of labour and productivity will increase. By increasing health services the skills and ability of the poor can help in increasing the productivity. Education and health changes the general labour into human capital. Japan and America have become economically developed due to human capital. Therefore, the government should expand education and health services in the poorer sections.

(B) Increase in employment opportunities-

There is a deep correlation between unemployment and poverty, they co-exist. This problem can be decreased by increasing the number of employment opportunities. Those people in the society who have skills or abilities can be brought out of the poverty circle by encouraging self employment and providing resources. Poor people lacking in skills can increase their purchasing power by earning wages. However many programmes of employment and self-employment have been started by current and former government but they were not enough to solve the problem of poverty. It is necessary to increase employment opportunities and reduce poverty by making education more employable.

(C) Need to control social evils-

Evil practices in Indian society kept limited opportunities for different sects of society as well as individuals and thus kept them poor. Many social practices such as marriage and death cause heavy unproductive expenditure by which the poor person gets trapped and he is not freed from the clutches of poverty. Indian individual also becomes stressed considering poverty as a decree of fate unless these miscreants in society and culture are removed then only poverty reduction seems possible.

(D) Population control- India is the second most populous country in the world. After independence, the spread of health services decreased the death rate rapidly but the expected improvement in the birth rate did not take place. Due to differences between birth and death rates, the population of India increased rapidly. Due to this rapid growth, some of the very few assets were divided among the sons and poor people become poorer. Due to higher population of children poor families could-not invest in education and health for them. Therefore, it is necessary to control the population growth rate for poverty eradication.

(E) Reach the benefits to targeted persons or community- For the eradication of poverty many ambitious schemes and programmes run by the government but there are many leakages in it due to which we fail to get expected result. Due to these leakages, a major portion of the allocated resources for the poor is allocated to not so poor people. If the government is serious about poverty alleviation, then it will have to ensure that the benefits of the schemes reach the poor.

16.2.5 Measure adopted for poverty Alleviation-

Before the decade of 1970, the government did not make significant efforts for poverty alleviation. The government believed that the effects of economic progress would gradually reach the weaker sections of society and solve the problem of poverty automatically. It was later accepted that India's rate of development was very slow and its benefits also could not reach the poor in required amount. After 1970, a new multi-dimensional policy was adopted in India for poverty alleviation. Many programmes of labour employment, self-employment were launched and efforts were made to eliminate the problem of poverty. The government has identified the families living below the poverty line (BPL). They have adopted in their policy, necessary services and services for their upliftment free or at low cost.

These policy measures taken by the government have helped in reducing the poverty but still it is not sufficient

16.3 Unemployment-

If a person is qualified and willing to work, But fails to get employment, then this situation is called unemployment. In other words, it can be said that a person who is not employed in any productive action is unemployed, it is unemployment. India is a country of youth but this young power will be beneficial only if it can be employed in higher employment. Many people in the villages and cities are engaged in agriculture work other people are engaged in business. Some other people are employed in education, health, banking and other insurance sectors. Every employer receives self-money from work and contributes in the production for his nation as well. Employment is also available to the person with the realization of wealth, which increases his work efficiency. If a person remains unemployed then he has a loss of money and skill and faces mental depression. Unemployment makes one person inefficient and un-social. The situation of unemployment creates numerous losses for the individual, society and the nation.

In order to understand unemployment, first of all the necessary labour-force, work force and unemployment rate should be understood. The work of labour-force is form the population who supplies labor for the current economic activities for the production of goods and services. It includes both employable and unemployed. Work-force is the part of the manpower that is in the employment. If the person desiring to work at the rate prevailling wage does not get the job according to his merit, he is called unemployed, The unemployment rate, the number of unemployed people, is the ratio of the number of people involved in the labour force.

Estimates of the unemployment rate are set at three different approaches respectively, in general, weekly current status and current daily status, which are to be studied in higher classes. In order to estimate unemployment in India, statistics are collected by organizing separate rounds of tours by National Sample Survey Organization (NSSO).

In order to mobilize unemployment related data, this organization had organized 68th round in 2011-12. It was found that on the basis of normal condition, the work-force was 395 per thousand

population and the work-force was 386 and in the 68th round 2011-12, the unemployment rate at normal position was 2,3 percent.

16.3.1 Types of Unemployment-

(A) Seasonal Unemployment:- There are many such businesses that end with the changing of weather. Such business offers employment only in a certain period or season of the year. Agriculture and Agro based industries are the best example of it. When the weather is unfavourable, people in this seasonal business have to face unemployment. Thus, it is called seasonal unemployment.

(B) Structural Unemployment- Along with the development the structure of the economy varies. In one area demand is low, and demand increases in other area. Along with changes in the structure of the economy the nature of demand also change. Thus, due to structural changes by which unemployment arises, it is called structural unemployment.

(C) Technical Unemployment- The unemployment due to improvements in production techniques and the use of new machines is called unemployment. use of new machines is called unemployment.

(D) Frustrating Unemployment- It is also called fractional unemployment, The unemployment generated between the two employment periods is called distressing unemployment. This work is generated due to change, hartal, lockout etc. This employment is temporary.

(E) Cyclical Unemployment- Regulatory activities occruiing in the economy are called up and down (speed slow down) business cycle. When there is a recession in business cycles, the level of overall demand becomes very low. This also results in decline in production and employment. Due to lack of overall demand or business cycles, the problem of cyclic unemployment arises.

(F) Hidden Unemployment- Many times it happens that the person appears to be engaged in employment but his contribution to total production is zero or negligible. If excessive or extra labour is taken away from that work then there is no decrease in the quantum of total exemption. This is called hidden unemployment.

This unemployment occurs more in agricultural activities in rural areas of undeveloped countries. Due to being a major agricultural economy. This structural and hidden unemployment is highest. In developed countries, there are generally more active and chronic unemployment.

16.3.2 Reasons of Unemployment-

The problem of unemployment is the result of many reasons. The main reasons are given below-

(A) Lack of Employment Education and Training-

The level of literacy and education in India has been steadily increasing, as well as new issues of educated unemployment have also become visible. There is lack of everyday education in Indian education. The practical viability of education is very low here. Despite of getting education here, students fail to get employment. Similarly there is lack of training centers in India. Through training person becomes human capital by which the employment opportunities increase for him.

(B) Increasing Population and Labour Force- A number of schemes are being run by the government to provide employment but it has failed to fully consolidate the rising labor-force along with the population. Labor-force in India is increasing rapidly. It requires fast creation of employment opportunities.

(C) Inappropriate Technique- Modern technology is being adopted in Indian agriculture and industries. This technique is capital intensive and labour saving. This technology is not beneficial for countries such as India. In India there is a need to adopt such techniques which can also be used in the huge labor-force. Sophisticated technology is responsible for unemployment in India.

(D) Agricultural Backwardness- Agricultural backwardness and slow growth is also the major cause of unemployment in India. Even today almost 50 percent of the labor-force receives employment in agriculture and related regions. Slow growth of the agricultural sector failed to create enough employment opportunities for this

vast population.

(E) Jobless Economic Development:-

Normally employment increases with development. India has progressed rapidly in the past 35 years. But the service sector contribution is relatively high in this development. The employment intensity of service sector is less than that of agriculture and industries, so despite the rapid economic growth, there is not enough increase in employment opportunities.

(F) Lack of Political will and Systematic planning:-

Along with the development in India, there was a need to be spent in other by systematic planning of excess labour due to structural changes. Although many programs were run by the government for redressal of unemployment but there was lack of coordination. Due to the very high leakage in these programs the benefits of it could not reach the targeted individuals.

16.3.3 Remedial Measures for Unemployment:-

Unemployment and poverty problems are associated with each so closely that the measures to be taken for their redress are not different. Government has tried to eliminate the co-existence of many wages by running the employment & self employment program for the last 40 years. By providing employment through MNERGA, there has been enough reduction in poverty and unemployment in rural areas. Several self-employment programs running in parallel have reduced the unemployment of educated and skilled people. Economists are of the opinion that unemployment rates cannot be zero down. The existence of structural and frustrating unemployment remains in the minority in the economy. Due to unemployment, a nation cannot achieve its highest possible level of production and it loses a certain part of production forever which could be produced by providing employment to everyone. By adopting following measures by the government, adequate reduction in unemployment can be done.

(A) There should be maximum co-ordination between the wages and self-employment programs run by the government and the minimum leakage in them.

(B) Education should be made employment oriented and encourage youth to self-employment through training and skill development.

(C) Accelerate the growth rate of industries to increase the excessive labour due to development along with agriculture.

The promising program “Make In India” and investment promotion measures adopted by the probable sector will provide a fast pace to the growth rate of industry. Due to rapid industrial development unemployment can be reduced significantly.

(D) Need for skilled planning:- In India, millions of new youth join labor-force. This is also an opportunity as well as the challenge in India. By making proper policy, these youths have the need to create employment. The employment related policy should be prepared in such a very addition to the present unemployment, new entrants in the labor-force be kept in mind.

Important Points

1. Inflation means continuous increase in general price.
2. In order to know the rate of inflation the wholesale price index and many consumer price indexes are created in India.
3. Contrary relation is found between price and value of currency.
4. Moderate and fiscal measures are adopted for inflation control.
5. The estimate of poverty in India was first put up by Dada Bhai Naroji in 1868.
6. According to suresh Tendulkar 21.92% of the population in India was poor during 2011-12.
7. Absolute poverty is the situation in which a person is not able to fulfil his basic needs.
8. Unemployment is situation in which the eligible and willing person of the working age group is unable to get employment at the rates of forced wages.
9. Hidden unemployment and structural unemployment are found more in India.
10. The task of coordinating the compilation of poorer and unemployment is done by the national sample survey organization (NSSO).

EXERCISE

Very Short Answer Type Questions

1. What are the challenges that come before the Indian economy?
2. Which index is used for inflation?
3. Which monetary measures are used to control Inflation?
4. The latest estimates of poverty in India are presented by whom?
5. Explain the concept of absolute poverty.
6. Write the name of the scholars studying poverty after independence.
7. Who has first attempted to measure poverty in India and when?
8. Define labour-force.
9. Define hidden unemployment.
10. Which unemployment is found more in agriculture sector?
11. What kind of unemployment is found more in developed economy?
12. What is the body that is compiling reliable association in India?

Short Answer type Question-

1. What is inflation?
2. Explain inflation trends in India after independence.
3. Explain the fiscal measures of inflation control.
4. What are the monetary measures taken for inflation control? Explain
5. What is the difference between absolute and relative poverty?
6. Why are poverty lines different in different countries?
7. Discuss the economic causes of poverty in India.

8. Explain the estimate of poverty presented by Suresh Tendulkar.
9. What is the estimation of labor-force, work-force and unemployment rate for the year 2011-2012?
10. What are losses for a person due to unemployment?
11. What do you understand by frustrating unemployment?

Essay Type long Questions-

1. Discuss the reasons of inflation in India.
2. Write an elaborated article on the losses arising from inflation.
3. Explain the efforts made by various economists for estimating poverty.
4. Explain the measures that can be taken for poverty alleviation.
5. What measures have been taken to reduce unemployment and what other measures can be adopted?